SCHEDULE 1

NEW SYSTEM WARRANTY

US Digital Designs



NEW SYSTEM WARRANTY

1. **Warranty**. Subject to the terms, conditions and limitations contained herein, US Digital Designs, Inc. ("USDD") warrants that the Products purchased pursuant to the Reseller Agreement ("Contract") and integrated into the End User's System shall not contain any material defects and shall function in material conformity with the descriptions and specifications set forth in the Contract for a period of eighteen (18) months from date of shipment from USDD ("Warranty Period"). Capitalized terms used herein and not specifically defined in this Warranty shall have the meanings set forth in the Contract.

2. Hardware Defects. If a Hardware defect arises and a valid claim is made within the Warranty Period, at its option, USDD will either (1) repair the hardware defect at no charge, using new parts or parts equivalent to new in performance and reliability or (2) exchange the product with a product that is new or equivalent to new in performance and reliability and is at least functionally equivalent to the original product. Any replacement product or part, including a user-installable part that has been installed in accordance with instructions provided by USDD, shall remain under warranty during the Warranty Period or for 90 days from the date of repair, whichever is later. When a product or part is exchanged, any replacement item becomes the Customer's property and the replaced item becomes the property of USDD. Parts provided by USDD in fulfillment of its warranty obligation must be used in the System for which warranty service is claimed. Customer shall be responsible for and bear all risks and costs of shipping any Hardware to Customer after repair or replacement. Replacement Hardware will be returned to Customer configured as it was when the Hardware was originally purchased, subject to applicable updates.

3. **System Maintenance and Support**. During the Warranty Period, USDD shall provide Software updates and maintenance for the System (collectively the "Support Services"). The Services shall include the following:

- a. Technical phone support Monday through Friday from 08:00 to 17:30 MST, excluding USDD holidays;
- b. Remote access support Monday through Friday from 08:00 to 17:30 MST, excluding USDD holidays;
- c. 24-hour per day telephone access for Customer's System Administrator to USDD's senior staff and engineers in the event of a "Mission Critical Failure" (as defined below); and
- d. Updates for all System Software, as and when released by USDD.

4. **Claims**. Prior to making a Warranty claim or requesting Support Services, Keylite and Customer are encouraged to review USDD's online help resources. Thereafter, to make a valid claim hereunder, Customer must contact Keylite, which will coordinate with USDD technical support and describe the problem or defect with specificity. The first such contact must occur during the Warranty Period. USDD's technical support contact information can be found on USDD's web site at http://stationalerting.com/service-support/. Keylite and Customer will use their best efforts to assist in diagnosing defects, follow USDD's technical instructions, and fully cooperate in the diagnostic process. Failure to do so shall relieve USDD of any further obligation hereunder.

5. **Mission Critical Failure**. "Mission Critical Failure" means a failure in the materials, workmanship or design of the System that causes any fire station served by the System to be incapable of receiving dispatches through all communications paths, provided however, that any such failure caused by operator error, internet or telephony service outages, misuse or neglect of the System or any cause outside of USDD's direct control <u>does not</u> constitute a Mission Critical Failure. Keylite's or Customer's use of Emergency Support in the absence of a Mission Critical Failure shall constitute Additional Services under the Contract, which will be charged at USDD's then current rates.

6. Exclusions and Limitations. USDD's obligations under this Warranty are contingent on the Customer providing USDD with VPN access or other means for remote access to the System for remote diagnosis. USDD does not warrant that the operation of the System, Hardware, Software, or any related peripherals will be uninterrupted or error-free. USDD is not responsible for damage arising from Customer's failure to follow instructions relating to the product's use. This Warranty does not apply to any Hardware or Software not used in conjunction with the System and for its intended purpose. This Warranty does not apply to monitors or televisions manufactured by third parties. Recovery and reinstallation of Hardware and user data (including passwords) are not covered under this Warranty. This Warranty does not apply: (a) to consumable parts, such as batteries, unless damage has occurred due to a defect in materials or workmanship; (b) to cosmetic damage, including but not limited to scratches, dents and broken plastic on ports;

(c) to damage caused by use with non-USDD products; (d) to damage caused by accident, abuse, misuse, flood, lightning, fire, earthquake or other external causes; (e) to damage caused by operating the product outside the permitted or intended uses described by USDD; (f) to damage or failure caused by installation or service (including upgrades and expansions) performed by anyone who is not a representative of USDD or a USDD authorized installer or service provider; (g) to a product or part that has been modified to alter functionality or capability without the written permission of USDD; or (h) if any serial number has been removed or defaced. TO THE EXTENT PERMITTED BY LAW, THIS WARRANTY AND REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, REMEDIES AND CONDITIONS, WHETHER ORAL OR WRITTEN, STATUTORY, EXPRESS OR IMPLIED. AS PERMITTED BY APPLICABLE LAW, USDD SPECIFICALLY DISCLAIMS ANY AND STATUTORY OR IMPLIED WARRANTIES, INCLUDING, ALL WITHOUT WARRANTIES MERCHANTABILITY, FITNESS FOR A LIMITATION, OF PARTICULAR PURPOSE AND WARRANTIES AGAINST HIDDEN OR LATENT **DEFECTS**. If USDD cannot lawfully disclaim statutory or implied warranties then to the extent permitted by law, all such warranties shall be limited in duration to the duration of this express Warranty and to repair or replacement service as determined by USDD in its sole discretion. No reseller, agent, or employee is authorized to make any modification, extension, or addition to this Warranty. If any term is held to be illegal or unenforceable, the legality or enforceability of the remaining terms shall not be affected or impaired. EXCEPT AS PROVIDED IN THIS WARRANTY AND TO THE EXTENT PERMITTED BY LAW, USDD IS NOT RESPONSIBLE FOR DIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY OR CONDITION, OR UNDER ANY OTHER LEGAL THEORY, INCLUDING BUT NOT LIMITED TO LOSS OF USE; LOSS OF REVENUE; LOSS OF THE USE OF MONEY; LOSS OF ANTICIPATED SAVINGS; LOSS OF GOODWILL; LOSS OF REPUTATION; and LOSS OF, DAMAGE TO OR CORRUPTION OF DATA. USDD IS NOT RESPONSIBLE FOR ANY INDIRECT LOSS OR DAMAGE HOWSOEVER CAUSED INCLUDING THE REPLACEMENT OF EOUIPMENT AND PROPERTY, ANY COSTS OF RECOVERING PROGRAMMING OR REPRODUCING ANY PROGRAM OR DATA STORED OR USED WITH USDD PRODUCTS, AND ANY FAILURE TO MAINTAIN THE CONFIDENTIALITY OF DATA STORED ON THE PRODUCT. USDD disclaims any representation that it will be able to repair any Hardware under this Warranty or make a product exchange without risk to or loss of the programs or data stored thereon.